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This Week in Canadian Agriculture, Issue 18 2004

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Report Highlights:

* Trade Minister Says Hog Subsidy Allegations Unfounded * Pork Boards Introduce Levy to Build Legal Defense Fund * DOC Softwood Lumber Review Determination Lauded in Canada
* Cattle Producers' President Reflects on BSE, One Year Later * Saskatchewan Seeding at 80% * Wet Spring Causing Manitoba Soybean Acreage Cut * Ontario Corn Planting Prospects Improve

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1]
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This Week in Canadian Agriculture is a weekly review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives.

Disclaimer: Any press report summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

TRADE MINISTER SAYS HOG SUBSIDY ALLEGATIONS UNFOUNDED: Canada's International Trade Minister James Petersen told *Farmscape*, a media presentation of Sask Pork and the Manitoba Pork Council, that US allegations that unfairly subsidized Canadian hogs are being dumped into the US are without merit. The Minister claimed that that every program introduced is designed to be compliant with Canada's obligations under the WTO and the NAFTA. Petersen said the GOC is working closely with hog producers to ensure that they defend these (countervail and anti-dumping) actions vigorously.

NEW PORK BOARD INTERIM LEVY TO BUILD LEGAL DEFENSE FUND: The provincial hog producer marketing boards of Manitoba and Ontario, the source of more than 90% of Canadian live hog exports to the United States, are introducing interim marketing levies of C\$0.80 per hog in Ontario and C\$0.50 per hog in Manitoba to fund the legal defense of the U.S. countervailing and anti-dumping investigations against live swine imports from Canada.

GOC AND INDUSTRY LAUD DOC PRELIMINARY DETERMINATION ON LUMBER CASE REVIEWS: On June 3, 2004, the Department of Commerce (DOC) announced preliminary affirmative determinations in anti-dumping and countervailing duty administrative reviews for Canadian softwood lumber. The GOC and the Canadian lumber industry lauded the determinations, which averaged about half the level of the original duties, while the U.S. Coalition for Fair Lumber Imports voiced its displeasure. The preliminary found that Canadian provincial stumpage and other programs confer a benefit to producers of softwood lumber and that Canadian producers/exporters of softwood lumber have sold their product below fair value. In the administrative review of the countervailing duty order, the Department evaluated the provincial stumpage programs of the provinces of British Columbia, Alberta, Manitoba., Saskatchewan, Ontario and Quebec. It found that the preliminary net countervailable subsidy rate (for the period May 22, 2002 through March 31, 2003), is 9.24 percent *ad valorem*. In the anti-dumping duty order review, the DOC chose eight mandatory respondents and determined that the preliminary dumping margins for the individual respondents for entries during the period of review range from 1.08 to 10.21 percent. The preliminary dumping margin for all other imports during the period of review is 3.98 percent.

CATTLE PRODUCERS' PRESIDENT REFLECTS ON BSE, ONE YEAR LATER: In an open letter to Canadian cattle producers, Canadian Cattlemen's Association President Stan Eby acknowledged the anniversary of the announcement of Canada's first case of BSE (May 20, 2003). He reflected on the economic loss, the recovery of certain beef exports to the United States and Mexico, and federal and provincial government assistance programs that helped reduce financial losses. He praised the media for portraying the situation accurately without sensationalism and thanked Canadian consumers who rallied behind the industry. Canadian beef disappearance soared during the first weeks of the crisis, and on balance for 2003 showed a 5% increase over the 2002 level.

SASKATCHEWAN SEEDING AT 80%: According to the provincial department of agriculture, Saskatchewan farmers have seeded 80 per cent of the 2004 crop at the end of May, slightly behind the five-year average of 88%. Cool, wet weather has slowed seeding progress in many areas of the province. Farmers in the northeast region have made the most progress, with 94 per cent of this year's crop in the ground, while farmers in the southeast region have seeded only 57 per cent. Crop development is generally behind normal, due to cool weather. Most crops are emerging relatively evenly and in good condition.

WET SPRING CAUSING MANITOBA SOY ACREAGE CUT: Manitoba Department of Agriculture crop specialists say Manitoba farmers will not be planting nearly as many soybeans as originally thought

this year, as cool, wet conditions continue to delay seeding progress, causing producers to switch to other crops. In the central region, cereals are about 90% seeded, with the majority of the crop emerged and in the 1-2 leaf stage. Good emergence has generally been reported, except for several low-lying areas where the crop has been drowned out. Canola is 70% seeded, and fields seeded before the May 11 and 12 snowfalls are emerging well. Many soybean acres may be replaced by canola, especially in the eastern portions of the region. In the southwest, producers could only seed on two days last week because of rain. Despite the moisture, cereal crops are 70-90% completed. Some feed grains and silage crops remain to be seeded. Oilseeds, sunflowers and corn are only 50-65% complete.

ONTARIO CORN PLANTING PROSPECTS IMPROVE; SOYBEAN PLANTINGS VARIABLE: Corn planting in central and southwestern areas of Ontario progressed over the past week reflecting drier weather conditions. Some areas have 75% planted, about double the rate a week earlier. However, the heavy clay soils regions continue to lag, with less than 50% of intended acreage planted. The province reports soybean seeding at between 5% to over 50% complete. Planting delays in corn have caused some producers to switch intended corn acres to soybeans.

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